

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-249

June 2, 1998

ASHLAND WATER & SEWER COMPANY
Application for Approval of
Issue of Securities § 902
(\$101,300) Bond

AMENDED ORDER

WELCH, Chairman; NUGENT and HUNT, Commissioners

On March 30, 1998, the Ashland Water & Sewer District (the District) filed with the Commission its application for authority to issue its bond in a sum not to exceed \$75,000 through the State Drinking Water Revolving Loan Fund, administered through the Maine Municipal Bond Bank, at a rate not to exceed 0%. Since Ashland is considered a disadvantaged community, it qualifies for a 0% loan through the State Drinking Water Revolving Loan Fund. The debt will be paid over a term not to exceed 5 years. Under the disadvantaged community assistance provisions of the Revolving Loan Fund \$56,250 of the bond issue will be principal forgiveness, resulting in a principal payback of \$18,750.

In a letter from the District dated May 28, 1998, it was noted that due to bids in excess of the \$75,000 approved on March 19, 1998, that the District will be required to obtain a loan in the amount of \$101,300, of this \$75,975 will be principal forgiveness, resulting in a new principal payback amount of \$25,325. Everything else in the bond application remains the same.

The District requires these funds to refurbish an existing 350,000 gallon storage tank, including interior painting and replacement of a damaged roof.

Pursuant to an Amended Delegation Order dated January 9, 1996 in Docket No. 93-169, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A., Chapter 9, and 11, to approve water utility financing applications, including those that involve mortgaging utility property, for MMBB, REEDA and their successors. This delegation in no way limits the Commission's authority to review the decision of the Director of Finance pursuant thereto or to directly consider requests for variations. The Director of Finance's approval shall be in the form of an Order, copies of which shall be maintained in the files of the Office of the Administrative Director.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bond are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to § 902(4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1996, in Docket No. 93-169, I

O R D E R

1. That the Ashland Water & Sewer District is hereby authorized to issue its bond in a sum not to exceed **\$101,300** to be used solely for the purposes described in this Order, and at a rate not to exceed 0% per year through the State Drinking Water Revolving Loan Fund, administered through the Maine Municipal Bond Bank for a term not to exceed 5 years.

2. That the District report to the Commission, in writing its doings pursuant to this Order within sixty (60) days of the date of the issue of the proposed bond, or by October 30, 1998, whichever may come first.

3. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 2nd day of June, 1998.

BY ORDER OF THE DEPUTY DIRECTOR
OF FINANCE

Richard Kania
Deputy Director of Finance